



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

RQ-2

Michael L. Reizer, Treasurer
Republican National Committee
310 First Street SE
Washington, DC 20003

JUN 25 2003

Identification Number: C00003418

Reference: Year End Report (11/26/02-12/31/02)

Dear Mr. Reizer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Please clarify all expenditures made for BROADCAST SERVICES and FAX BROADCASTING on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H4 supporting Line 21(a) (pertinent portion(s) attached) discloses \$28,726.65 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer to your non-federal account.

You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of the disbursements disclosed on Schedule H4 supporting Line 21(a) were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated

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expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, if your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §106.5 and 106.6 and establish procedures to insure future compliance with allocation regulations.

-Memo Schedule A of your Republican National State Election Committee non-federal account supporting Line 1 discloses \$5,547.36 in receipts dated after November 5, 2002 (pertinent portions attached). Please be advised that beginning on November 6, 2002, national party committees may not solicit, receive, direct to another person a contribution, donation, or transfer of funds, or any other thing of value that is not subject to the prohibitions, limitations, and reporting requirements of the Act. 11 CFR §300.10(a). Please provide further clarification of the receipts in this non-federal account received after November 5, 2002.

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

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-Schedule B supporting Line 21(b) of your report discloses a payment(s) to another political committee(s) for goods and/or services provided by that committee(s). 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee was assessed the usual and normal charge for the goods and/or services you received and explain the steps the political committee(s) took in determining the amount(s) charged to you. If your committee was provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by the political committee(s) to your committee and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

-Schedule B supporting Line 23 of your report discloses one or more contributions to a candidate(s) for the General election; however, the funds were disbursed after the election date(s) (pertinent portion(s) attached). Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during that election campaign.

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days

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of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker
Senior Campaign Finance Analyst
Reports Analysis Division

DISBURSEMENT SCHEDULE H4 (FEC Form 3X)
JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE

PAGE 5426 / 10485
 FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE TO P/B REPUBLICAN NATIONAL COMMITTEE			
A. Full Name (Last, First, Middle Initial) REPUBLICAN NATIONAL STATE		Type of Allocated Activity: <input checked="" type="checkbox"/> Admin/Voter Drive <input type="checkbox"/> Fundraising <input type="checkbox"/> Event <input type="checkbox"/> Direct Candidate Support	
Mailing Address ELECTION COMMITTEE 210 FIRST STREET SE		Event Year-To-Date \$7068117.38	
City WASHINGTON	State DC	Zip Code 20003	Category Type 102
Purpose/Event: A		Date 12 / 18 / 2002	
Description: TRANSFER OF NON FED SHARE			
FEDERAL SHARE + NON-FEDERAL SHARE = TOTAL AMOUNT		16087.68 0.00 16087.68	
Transaction ID: 21K200301252783			
A. Full Name (Last, First, Middle Initial) REPUBLICAN NATIONAL STATE		Type of Allocated Activity: <input checked="" type="checkbox"/> Admin/Voter Drive <input type="checkbox"/> Fundraising <input type="checkbox"/> Event <input type="checkbox"/> Direct Candidate Support	
Mailing Address ELECTION COMMITTEE 210 FIRST STREET SE		Event Year-To-Date \$7068117.38	
City WASHINGTON	State DC	Zip Code 20003	Category Type 102
Purpose/Event: A		Date 12 / 19 / 2002	
Description: TRANSFER OF NONFEDERAL			
FEDERAL SHARE + NON-FEDERAL SHARE = TOTAL AMOUNT		13668.87 0.00 13668.87	
Transaction ID: 21K200301252780			
A. Full Name (Last, First, Middle Initial) REPUBLICAN NATIONAL STATE		Type of Allocated Activity: <input checked="" type="checkbox"/> Admin/Voter Drive <input type="checkbox"/> Fundraising <input type="checkbox"/> Event <input type="checkbox"/> Direct Candidate Support	
Mailing Address ELECTION COMMITTEE 210 FIRST STREET SE		Event Year-To-Date \$7548117.38	
City WASHINGTON	State DC	Zip Code 20003	Category Type 102
Purpose/Event: A		Date 12 / 19 / 2002	
Description: YERFIS TRANSFER OF NONFED SHARE OF RESERVE (BILISA)			
FEDERAL SHARE + NON-FEDERAL SHARE = TOTAL AMOUNT		104.00 0.00 104.00	
Transaction ID: 21K200301252781			
SUBTOTAL of Joint Federal and Non-Federal Activity This Page FEDERAL SHARE + NON-FEDERAL SHARE = TOTAL AMOUNT 28830.05 0.00 28830.05			
TOTAL This Period (see page for each line only) (Federal share to 21(a)(3) and non-Federal share to 21(a)(5)) FEDERAL SHARE NON-FEDERAL SHARE TOTAL AMOUNT 28830.05 0.00 28830.05			
TOTAL This Period for the Non-Federal Share (used for line 21 of the detailed activity page) NON-FEDERAL SHARE TOTAL AMOUNT 0.00 0.00			

FEC Schedule H4 (Form 3X) (Instructions 12/01)

SCHEDULE A ITEMIZED RECEIPTS

Use separate schedule A
for each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 20473/10402
03451

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any national committee to solicit contributions from such committee.

NAME OF CONTRIBUTOR (in full)

A. FRIENDS OF BRN Full Name (Last, First, Middle Initial) Mailing Address P O BOX 28908 City State Zip Code HOON MI 48008 FEC ID number of contributing federal political committee Name of Employer EMPLOYER Occupation OCCUPATION Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify): Election Cycle-to-Date 2002-02 Date of Receipt 12 18 2002 Amount of Each Receipt This Period 2000.00 Transaction ID: RA1201051251 Account: 03000000	
B. LEAD NEWS Full Name (Last, First, Middle Initial) Mailing Address P O BOX 933 City State Zip Code DAYTON OH 45401 FEC ID number of contributing federal political committee Name of Employer Occupation Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify): Election Cycle-to-Date 2002-02 Date of Receipt 12 18 2002 Amount of Each Receipt This Period 193.52 Transaction ID: RA1201051252 Account: 03000000	
C. LEAD NEWS Full Name (Last, First, Middle Initial) Mailing Address P O BOX 933 City State Zip Code DAYTON OH 45401 FEC ID number of contributing federal political committee Name of Employer Occupation Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify): Election Cycle-to-Date 2002-02 Date of Receipt 12 18 2002 Amount of Each Receipt This Period 141.04 Transaction ID: RA1201051253 Account: 03000000	
SUBTOTAL of Receipts This Page (optional) 2334.56 TOTAL This Period (sent page this line number only) 2334.56 FEC Schedule A (Revised 1/98/01)	

SCHEDULE A ITEMIZED RECEIPTS

Use separate schedules
of each category on the
Detailed Summary Page

FOR LINE NUMBER: PAGE 10475113053
SASH

All information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for campaign purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (If any)

A. Full Name (Last, First, Middle Initial) McLAUGHLIN ASSOCIATES		Date of Receipt 12 16 2002
Mailing Address 818 PRINCE STREET		Amount of Each Receipt This Period 2212.80
City ALEXANDRIA	State VA	
Zip Code 22314		FEC ID number of contributing federal political committee 2212.80
Name of Employer Occupation		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify)		Election Cycle to Date 2212.80
Transaction ID: Receipt Account:		Receipt ID: 2212.80

B. Full Name (Last, First, Middle Initial) EDGEMONDSON		Date of Receipt 12 01 2002
Mailing Address 1240 N PITT ST		Amount of Each Receipt This Period 1000.00
City ALEXANDRIA	State VA	
Zip Code 22314		FEC ID number of contributing federal political committee 1000.00
Name of Employer Occupation		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify)		Election Cycle to Date 1000.00
Transaction ID: Receipt Account:		Receipt ID: 1000.00

C. Full Name (Last, First, Middle Initial) SHERMAN'S SHERMAN		Date of Receipt 11 27 2002
Mailing Address BIVISON LANE		Amount of Each Receipt This Period -1000.00
City RUMSON	State NJ	
Zip Code 07000		FEC ID number of contributing federal political committee -1000.00
Name of Employer Occupation		
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify)		Election Cycle to Date 0.00
Transaction ID: Receipt Account:		Receipt ID: 0.00

SUBTOTAL of Receipts This Page (apportioned) 2212.80

TOTAL This Period (last page this line only)

FEC Schedule A (Revised 10/01/01)

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